

## CENTRAL INTELLIGENCE AGENCY

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COUNTRY	Czechoslovakia	REPORT	
SUBJECT	New Klement Gottwald Foundry in Kuncice	DATE DISTR.	26 October 1955
		NO. OF PAGES	2
DATE OF INFO.		REQUIREMENT NO.	RD
PLACE ACQUIRED		REFERENCES	
DATE ACQUIRED		This is UNEVALUATED Information	

SOURCE EVALUATIONS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

1. During March 1955 production at the New Klement Gottwald Foundry in Kuncice consisted of the items listed below:

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T.U.L.I. brand, and forming steel of all dimensions according to the Czech norms for industrial output.

Rails

Raw casts for cog wheels

Raw casts for locomotives and freight car wheels

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Raw casts for crankshafts for engines and steam engines.

Coke

Raw iron

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Steel 'kokil' for further working

Exploitation of coal refuse for production of benzol medicaments, dyes, etc.

2. On the grounds that there was a failing demand for its goods, the management began, in January 1955, a drive to improve the quality of the foundry's products. The production plan was reduced and it was intended that each employee should receive a free elementary technical education.

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3. At the same time dismissal of a large number of employees began and this was still going on in March 1955. Those dismissed were not being obliged by the local labor office to start at other factories within three days. as these had no requirement for extra labor.

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4. All construction work on projected buildings was stopped as from 1 January 1955 owing to shortage of money. Only the smithy was permitted to be finished.
5. On 1 January 1955 a new wage scale came into force. All those responsible for the fulfillment of the plan and quality of the products (head foremen, foremen, head inspectors, inspectors, maintenance leaders, leaders of departments) were to receive 100 percent premium over and above their monthly wages, dependant on the 100 percent fulfillment by their departments of the plan, with no slipshod work or sabotage. Should the section or department not fulfill the plan owing to damaged machinery, slipshod work, sabotage, etc., all responsible persons in it would receive only the basic pay (i.e. 1460 crowns) allotted to the TM 8 wage group.
6. Expert workers with 10 or more years of experience receive basic wages of about 1,200 - 1,300 crowns. Every job is timed, and when the work goes smoothly, with no hitches, and the product is accepted by the inspectors, the workers receive the full premium quoted for that particular operation. These expert workers can earn up to 2,500 crowns monthly before deductions. Younger workers receive lower basic wages, but the premium system is the same as that outlined above.
7. All the workers, experts, and technicians are complaining bitterly about these new wage adjustments. In effect it means that their total monthly earnings have been lowered by about 1,000 crowns by comparison with earnings in 1954.
8. There are frequent meetings of the factory Communist Party and Czechoslovak Youth Organization (OSM) units. Very few people attend these meetings, and quite often the only people present are the functionaries and organisers.

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